TO: Distribution   DATE: September 28, 1988

FROM: Lee Pollak   Confidential

SUBJECT: Ingredients

As you may know the American industry, in 1986, first provided the U.S. Department of Health and Human Services (DHHS) with a list of ingredients added to cigarettes under a legislative mandate requiring DHHS to review and report on ingredients. During the first quarter of 1989, the DHHS is expected to issue its first report regarding ingredients, and depending on the report's contents, the anti-tobacco movement may seek to make an issue out of this report.

Should a controversy develop, we can expect our affiliates abroad to be questioned by the press regarding additives in their products and competitors may also wish to draw a distinction between our American brands and cigarettes which contain fewer ingredients. It is important, therefore, that each affiliate anticipate the questions which will be asked and be prepared to state the affiliate's and corporate position. We will be discussing this subject at the public affairs meeting to be held November 28 - December 3 in Florida and will be looking for input from regional management.

For your information, the American industry, through the Washington law firm, Covington & Burling, first filed with the DHHS in April 1986 a consolidated list of all ingredients used by the six major manufacturers and the list was updated at the end of 1986 and 1987. The industry is now filing a much shorter list of the ingredients which, in terms of poundage, are the most commonly used.

There is attached a list of those ingredients which our people believe are the most frequently used by the U.S. industry. This list constitutes proprietary information and should be treated as strictly confidential.

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Aleardo G. Buzzi
Dinyar Devitre   cc: Geoffrey C. Bible
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Walter Thoma

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